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Overview of the Republican Budget Plan

The Republican Budget: Keeping the Promises Clinton Breaks

Budget Committee Chairman Domenici today announced the details of the Republican budget plan for FY 2000. If passed today, it would be the earliest budget agreement in Congress' history. The agreement is designed to not only protect but guarantee Social Security, strengthen Medicare, pay down the debt, adhere to the Balanced Budget agreement of 1997, bolster America's over-stretched Armed Forces, and to provide for the largest middle-class tax cut since Ronald Reagan. And to do all of that to a greater extent than does the President's budget.

In brief the Republican budget plan:

- **Protects and guarantees Social Security.** First by setting aside every cent of every dollar in each and every year, the Republican plan protects all of the \$1.8 trillion that is owed to Social Security over the next 10 years. Then it "locks" it in place by instituting special legislative protections that will require a super-majority (60 votes) to overturn.
 - ☛ In contrast, President Clinton's budget raids the Social Security trust fund for \$158 billion over its first five years, according to CBO.
- **Preserves Medicare.** The Republican budget adheres to the deal reached in 1997 and allows an increase of \$200 billion over the next 10 years — an average of \$20 billion per year.
 - ☛ In contrast, President Clinton's budget cuts Medicare by \$9 billion over the next five years.

- **Cuts the public debt in half.** The public debt will fall from \$3.628 trillion today to \$1.861 trillion in 2009.
 - In contrast, President Clinton's budget reduces the public debt by 20 percent or \$460 billion less — leaving it at \$2.324 trillion in 2009.
- **Keeps the deal on spending made in 1997.** Rather than breaking the spending agreement (the so-called discretionary spending "caps") as the President's budget does, the Republican budget says "a deal is a deal."
 - In contrast, President Clinton's budget breaks the spending caps by \$22 billion in budget authority in 2000 alone.
- **Insures America's security by providing needed increases in Defense spending.**
 - In contrast, President Clinton's budget provides \$30 billion less in budget authority for Defense over 2000-2004.
- **Provides the largest middle-class tax cut since Ronald Reagan was President.** Not only is it fair and right to return that part of the surplus to those who produced it, it is good economic policy. This tax relief to America's families will amount to \$15 billion next year in offset tax cuts, \$142 billion over the next five years, and \$778 billion over the next 10 years. All this without touching Social Security or Medicare.
 - In contrast, President Clinton's budget imposes a net tax hike of \$89.7 billion over the next 10 years, according to the Joint Committee on Taxation. Despite this hike, President Clinton's budget still raids the Social Security trust fund by \$158 billion and cuts Medicare by \$9 billion over the next five years.

Keeping Faith with the American People

In contrast to the President who promised but whose budget didn't deliver, Republicans with our budget do both for the American people — we promise and we deliver for their retirement security, their parents' health security, their children's debt burden, their national security and their family.

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